

U.S. Department of Energy

OAK RIDGE OFFICE

ANNOUNCEMENT

3890

April 10, 2007

SUBJECT: FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM: PRE-TAX HEALTH SAVINGS ACCOUNT ALLOTMENTS FOR FEDERAL EMPLOYEES

Beginning September 2007, Department of Energy (DOE) employees who are enrolled in High Deductible Health Plans (HDHP) will be able to make pre-tax allotments to Health Savings Accounts (HSAs) through The Federal Flexible Benefits Plan (FEDFLEX).

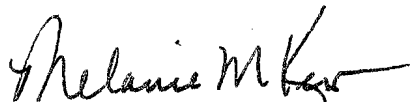
Once the payroll system is prepared to handle the allotments, DOE employees will be able to establish pre-tax HSA allotments using the Employee Self Service Website. Additional instructions will be provided closer to the September starting date.

Unlike Flexible Spending Account allotments, employees who elect HSA allotments may modify their allotments at any time so long as the change is prospective and in accordance with the administrative procedures established by the payroll provider. The HSA allotment election will continue until the employee modifies or revokes that allotment election.

Internal Revenue Service (IRS) limits apply to the amounts that can be set aside each year in HSAs. The 2007 HSA maximum contribution limit is \$2,850 for single coverage or \$5,650 for a family coverage. Individuals who are 55 or older may make an additional catch-up contribution of \$800 in 2007. Federal Employees Health Benefits enrollees in HDHPs should be aware that the premium pass-through amounts that they receive from their health plan count toward the IRS limits. For more information regarding pass-through amounts and contribution limits enrollees can visit http://www.opm.gov/hsa/HSA_NetAmounts.pdf.

Employees are responsible for ensuring their enrollment and contributions comply with IRS rules. Neither payroll providers nor self service system providers will verify employee eligibility or check to ensure employee contributions are within annual limits.

If you have any questions or need additional information, please contact Cathy Clifton at (865) 576-0680 or Sherry Stotelmyer at (865) 576-0669. Additional information is also available on the OPM webpage at www.opm.gov/hsa.



Melanie M. Kent, Chief
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No: 9